

No. 10/32/DInt

Jakarta, 14 October 2008

CIRCULAR LETTER

to

ALL COMMERCIAL BANKS IN INDONESIA

Subject: Amendment to Circular Letter of Bank Indonesia Number 9/1/Dint dated 15 February 2007 concerning Bank Foreign Borrowings

In reference to the issuance of Bank Indonesia Regulation Number 10/20/PBI/2008 concerning Amendment to Bank Indonesia Regulation Number 7/1/PBI/2005 concerning Bank Foreign Borrowings (State Gazette of the Republic of Indonesia Number 146 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4905), it is necessary to amend Circular Letter of Bank Indonesia Number 9/1/Dint dated 15 February 2007 concerning Bank Foreign Borrowings as follows:

1. The provisions of item I.C.2 and item I.C.3 are deleted so that item I.C reads as follows:

C. SHORT ...

### C. SHORT-TERM FOREIGN BORROWINGS

1. Banks may raise Short-Term Foreign Borrowings without approval from Bank Indonesia.
  2. Deleted.
  3. Deleted.
  4. Any rollover of a Short-Term Foreign Borrowing shall remain a Short-Term Foreign Borrowing. If such debt is rolled over more than 1 (one) year, it shall be treated as a new Long-Term Foreign Borrowing that must comply with procedures based on the applicable regulations.
1. The provisions of item III.A.1 are deleted so that item III.A reads as follows:

### III. SANCTIONS

#### A. Infringements

1. Deleted.
2. Any branch office of a foreign bank maintaining a daily Operating Funds position at less than 90% (ninety percent) of declared Operating Funds shall be liable to a financial penalty of 1% (one percent) per annum of the daily shortfall.
3. Any bank entering the market to raise a Long-Term Foreign Borrowing without approval from Bank Indonesia shall be liable to a financial penalty of 0.2% (zero point two percent) of the borrowing amount received.
4. Any bank receiving a Long-Term Foreign Borrowing in excess of the planned Long-Term Foreign Borrowing approved by Bank Indonesia shall be liable to a financial penalty of 0.2% (zero point two percent) of the excess over the amount approved by Bank Indonesia.

5. Any ...

5. Any bank submitting a market entry report at a time later than 7 (seven) working days after market entry shall be liable to financial penalty of Rp 100,000.00 (one hundred thousand rupiahs) per working day to a maximum of Rp 5,000,000 (five million rupiahs).
6. If terms and conditions are fundamentally changed and the Bank is unable to provide satisfactory explanation, the Bank shall be liable to administrative sanctions in the form of:
  - a. written warning; and/or
  - b. prohibition on taking on Foreign Borrowings for a specified period.

The provisions in this Circular Letter of Bank Indonesia shall come into force on the date of enactment with retroactive effect from 13 October 2008.

For the public to be informed, it is ordered that this Circular Letter of Bank Indonesia be promulgated in the State Gazette of the Republic of Indonesia.

Kindly be informed.

**BANK INDONESIA,**

(signed)

**BUDI MULYA**  
DEPUTY GOVERNOR